

Remarks on the United States Banking System and the National Economy
March 13, 2023

The President. Good morning, everyone.

Before I leave for California, I want to briefly speak about what's happening to Silicon Valley Bank and Signature Bank.

Today, thanks to the quick action of my administration over the past few days, Americans can have confidence that the banking system is safe. Your deposits will be there when you need them.

Small businesses across the country that had deposit accounts at these banks can breathe easier knowing they'll be able to pay their workers and pay their bills. And their hard-working employees can breathe easier as well.

Last week, when we learned of the problems of the banks and the impact they could have on jobs, some small businesses, and the banking system overall, I instructed my team to act quickly to protect these interests. They have done that. They have done that.

On Friday, the Government regulator in charge, the FDIC, took control of Silicon Valley Bank's assets. And over the weekend, it took control of Signature Bank's assets.

Treasury Secretary Yellen and a team of banking regulators have taken action, immediate action. And here are the highlights. First, all customers who had deposits in these banks can rest assured—I want to—rest assured they'll be protected and they'll have access to their money as of today. That includes small businesses across the country that banked there and need to make payroll, pay their bills, and stay open for business.

No losses will be—and I want—this is an important point—no losses will be borne by the taxpayers. Let me repeat that: No losses will be borne by the taxpayers. Instead, the money will come from the fees that banks pay into the Deposit Insurance Fund.

Because of the actions of that—because of the actions that our regulators have already taken, every American should feel confident that their deposits will be there if and when they need them.

Second, the management of these banks will be fired. If the bank is taken over by FDIC, the people running the bank should not work there anymore.

Third, investors in the banks will not be protected. They knowingly took a risk and when the risk didn't pay off, investors lose their money. That's how capitalism works.

And fourth, there are important questions of how these banks got into the circumstance in the first place. We must get the full accounting of what happened and why those responsible can be held accountable. In my administration, no one, in my view—no one is above the law.

And finally, we must reduce the risks of this happening again. During the Obama-Biden administration, we put in place tough requirements on banks like Silicon Valley Bank and Signature Bank, including the Dodd-Frank Law, to make sure the crisis we saw in 2008 would not happen again.

Unfortunately, the last administration rolled back some of these requirements. I'm going to ask Congress and the banking regulators to strengthen the rules for banks to make it less likely

that this kind of bank failure will happen again and to protect American jobs and small businesses.

Look, the bottom line is this: Americans can rest assured that our banking system is safe. Your deposits are safe. Let me also assure you: We will not stop at this. We'll do whatever is needed on top of all this.

Let's also take a look—a moment to put the situation in a broader context. We've made strong economic progress in the past 2 years. We have created more than 12 million new jobs, more jobs in 2 years than any President has ever created in a single 4-year term. Unemployment is below 4 percent for 14 straight months. Take-home pay for workers is going up, especially for lower- and middle-income workers. And we've seen record numbers of people apply to start new businesses—more than 10 million of them—more than 10 million applications over the last 2 years starting businesses.

Now we need to keep the program—this progress going. That's what swift action that my administration, over the past few years, is all about: protecting depositors, protecting the banking system, protecting the economic gains we've made together for the American people.

Thank you. God bless you, and may God protect our troops. See you in California.

Q. Mr. President, what do you know right now about why this happened, and can you assure Americans that there won't be a ripple effect?

Q. Do you expect other banks to fail Mr. President?

Q. Should all depositors be protected at all banks?

NOTE: The President spoke at 9 a.m. in the Roosevelt Room at the White House.

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